

# Instructions for Corporations Requesting a Tax Clearance Certificate

## Introduction

This publication explains the minimum requirements for dissolving a domestic corporation or surrendering the right to transact business in California for a foreign corporation. All the forms and instructions you need to file with **both** the Secretary of State and Franchise Tax Board are available in FTB Pub. 1149, *Terminating a Corporation*.

Exempt organizations requiring a tax clearance, see FTB Pub. 1038A, *Instructions for Exempt Organizations Requesting a Tax Clearance Certificate*.

## Corporations Not Qualified or Incorporated in California

Corporations not qualified or incorporated in California are required to file a final return with the Franchise Tax Board. These entities are not required to dissolve or surrender with the Secretary of State. For more information call the Franchise Tax Board at (800) 852-5711.

## Suspended Corporations

We cannot issue a tax clearance to a suspended corporation. Suspended corporations must first be revived to good standing. If your corporation is suspended, revivor requirements will be given in response to your request for tax clearance.

## Tax Clearance

Both California and qualified foreign corporations must obtain tax clearance from the Franchise Tax Board to complete their dissolution or surrender with the Secretary of State. To obtain a tax clearance certificate, file form FTB 3555, *Request for Tax Clearance Certificate — Corporation*.

Mail the completed form FTB 3555 and the appropriate Secretary of State forms to:

SECRETARY OF STATE  
BUSINESS FILINGS  
DOCUMENT FILING SUPPORT UNIT  
1500 11TH STREET  
SACRAMENTO CA 95814

In addition, the corporation must have filed all of the required returns, paid all taxes, penalties and interest that are due, and do one of the following:

- File an assumption of tax liability.
- Post a surety bond.
- Post a cash bond.
- Request a Tax Clearance Certificate based on the taxes paid (final return).

We may request additional information and/or documentation before issuing the tax clearance certificate.

We will send a copy of the tax clearance certificate to the Secretary of State, and if you ask, we will also send a copy to your representative.

## Final Return

Corporations that are in the process of dissolving or surrendering must file tax returns and pay at least the minimum franchise tax, if applicable, until dissolved or surrendered. Generally, corporations are required to file a final return by the 15th day of the third month after the close of the month in which the dissolution or surrender occurs. All returns will remain subject to audit.

For more information regarding the corporation's final return, refer to Form 100, *California Corporation Franchise or Income Tax Return*, or Form 100S, *California S Corporation Franchise or Income Tax Return*.

## Assumption of Tax Liability and Instructions for form FTB 3555

Assumptions of tax liability must have a current date and **original** signatures. We will not accept reproduced copies.

The assumption of tax liability may be filed by:

Assumer Type	Complete Pages of FTB 3555
California Resident	1, 2, and 3
Domestic or Qualified Corporation (See Note below)	1 and 4
California Trust	1, 2, and 3
LLC or LLP (See Note below)	1 and 4

**Note:** Newly qualified or simultaneously qualifying corporations, limited liability companies (LLCs) or limited liability partnerships (LLPs) must also provide a financial statement indicating sufficient net worth to meet any potential tax liability of the terminating corporation.

## Surety Bond (Minimum \$2,000)

File form FTB 3555 with a letter requesting a tax clearance certificate based on a surety bond.

We will release the bond approximately one year after the termination of the corporation and after a final audit of the corporation has determined there is no tax liability. This allows time for filing and processing the final tax return.

## Cash Deposit (Minimum \$2,000)

File form FTB 3555 with a letter requesting a tax clearance certificate based on a cash deposit.

Upon notification of the amount, mail the cash deposit with a copy of our letter to:

FISCAL ACCOUNTING  
FRANCHISE TAX BOARD  
PO BOX 2800  
SACRAMENTO CA 95812-2800

We will release the cash deposit approximately one year after the dissolution or surrender and after a final audit of the corporation has determined there is no tax liability. This allows time for filing and processing the final tax return.

## Final Return/Taxes Paid

If the corporation has ceased business and has filed, or is in the process of filing the final return, we may issue a tax clearance certificate only after final audit of the corporation has determined there is no tax liability. To request a tax clearance certificate under the final return/taxes paid basis, do the following:

- File the final return in the normal manner.
- Attach a statement to the return requesting a tax clearance certificate under the final return/taxes paid basis.
- File form FTB 3555 and check the box on page 1, indicating that the tax clearance certificate will be issued based on the final return/taxes paid basis.
- Attach a copy of the final return to form FTB 3555.

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## Rush Tax Clearance

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If you believe that you have cause for priority processing of your request for a tax clearance certificate, you must complete all the appropriate forms and include a letter stating the reason for the rush. Submit them to the address below. Your letter will be reviewed by the Tax Clearance Unit to determine if rush processing is appropriate. If your reason does not justify rush processing, we will notify you and your request will be worked in the normal manner.

Express or Overnight Mail is to be sent to:

TAX CLEARANCE UNIT  
FRANCHISE TAX BOARD  
9645 BUTTERFIELD WAY  
SACRAMENTO CA 95827

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## Emergency Cases

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In an emergency, you may obtain approval for a tax clearance certificate from the Franchise Tax Board. To obtain approval, contact the Tax Clearance Unit at (916) 845-4131. If approved, the certificate can be picked up at:

3321 POWER INN ROAD STE 250  
SACRAMENTO CA 95826

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## How to Get Forms

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**By Internet:** Franchise Tax Board forms are available at [www.ftb.ca.gov](http://www.ftb.ca.gov)

Secretary of State forms are available at [www.ss.ca.gov](http://www.ss.ca.gov)

**By Phone:** For Franchise Tax Board business entity forms, use our automated telephone service. Call (800) 338-0505 and follow the recorded instructions. Our business entity automated telephone service is available from 6 a.m. to 8 p.m. Monday through Friday, except state holidays. Please allow two weeks to receive your order, or three weeks if you are outside of California.

For Secretary of State forms call (916) 657-5448.

**In Person:** Most libraries carry a copy of Franchise Tax Board's California Package X that contains forms that can be photocopied. Many also have the Package X on a CD-ROM.

**By Mail:** For Franchise Tax Board forms, send your request to:

TAX FORMS REQUEST UNIT  
FRANCHISE TAX BOARD  
PO BOX 307  
RANCHO CORDOVA CA 95741-0307

For Secretary of State forms, send request to:

SECRETARY OF STATE  
BUSINESS FILINGS  
DOCUMENT FILING SUPPORT UNIT  
1500 11TH STREET  
SACRAMENTO CA 95814

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## Telephone Assistance

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Telephone assistance is available from 7 a.m. until 8 p.m. Monday through Friday and from 7 a.m. until 4 p.m. on Saturdays. From the first working day in January through the due date for filing a tax return (generally April 15), service is available from 6 a.m. until midnight, Monday through Friday and from 7 a.m. until 4 p.m. on Saturdays and holidays.

From within the US (toll-free) ..... (800) 852-5711

From outside the US (not toll-free) ..... (916) 845-6500

### Persons with disabilities

We comply with provisions of the Americans with Disabilities Act. For persons with hearing or speech impairments:

From voice phone call ..... (800) 735-2922

From TTY/TDD call ..... (800) 822-6268

### Asistencia bilingüe en español

Para obtener servicios en español y asistencia para completar su declaración de impuestos/formularios, llame al número de teléfono (anotado arriba) que le corresponde.